

Message Text

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ACTION ARA-14

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INFO ALL USCONS IN MEXICO POUCH

C O N F I D E N T I A L SECTION 01 OF 02 MEXICO 03215

E. O. 11652: GDS

TAGS: PINT, EGEN, MX

SUBJECT: QUERETARO CONFERENCE-NATIONAL PLANNING MEXICAN
STYLE

1. SUMMARY: PRESIDENT LOPEZ PORTILLO CONVENED A CONFERENCE IN QUERETARO FEB 4-5 OF HIS CABINET, STATE GOVERNORS, DIRECTORS OF PARASTATAL AGENCIES, CONGRESSIONAL LEADERS, AND CHIEF JUSTICE OF THE SUPREME COURT TO REVIEW PLANS TO RATIONALIZE MEXICO'S ECONOMIC AND POLITICAL DEVELOPMENT. IN HIS LIMITED REMARKS LOPEZ PORTILLO EMPHASIZED THE IMPORTANCE OF CONGRUENCE BETWEEN PRESENT PLANS AND THE MEXICAN POLITICAL PHILOSOPHY AS EMBODIED IN THE CONSTITUTION. SECRETARY OF GOVERNMENT JESUS REYES HEROLES DELIVERED THE KEYNOTE ADDRESS AND SAID THAT SOCIAL DEMOCRACY AND FEDERALISM WERE GOALS OF THE ADMINISTRATION TO BE ACHIEVED THROUGH POLITICAL AND ADMINISTRATIVE REFORM. HE TOLD THE AUDIENCE THAT MEXICO WOULD EFFICIENTLY ADMINISTER ITS RESOURCES WITHOUT BECOMING A TECHNO-BUREAUCRATIC DICTATORSHIP AND THAT THE POLITICAL PARTIES EXISTED TO SERVE THE NATION AND NOT THE REVERSE. SECRETARY OF FINANCE IBARRA ANNOUNCED PLANS TO GIVE STATES AND MUNICIPALITIES ACCESS TO NATIONAL MONEY MARKETS, WHILE SECRETARY

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OF PROGRAMMING AND BUDGET GARCIA SAINZ ADMONISHED THE GOVERNORS "TO DO MORE WITH LESS". END SUMMARY.

2. SECRETARY OF GOVERNMENT, JESUS REYES HEROLES, GAVE THE KEYNOTE SPEECH AT THE QUERETARO CONFERENCE. HIS ADDRESS REAFFIRMED THE GOALS (SOCIAL DEMOCRACY AND FEDERALISM) AND MEANS OF ACHIEVING THEM (ADMINISTRATIVE REFORM AND POLITI-

CAL REFORM) OF THE LOPEZ PORTILLO ADMINISTRATION. REYES HEROLES BEGAN BY PAYING HOMAGE TO THE CONSTITUTION AND THE DEMOCRATIC PRINCIPLES OF MEXICO. HE REAFFIRMED THE MEXICAN REVOLUTION BY REMINDING HIS AUDIENCE OF THE CLOSE RELATIONSHIP BETWEEN THE STATE AND THE SOCIETY, AND THE STATE'S ROLE IN GUIDING SOCIETY.

3. REYES HEROLES DEFINED FEDERALISM AS "THE METHOD FOR NATIONAL INTEGRATION" AND "THE INSTRUMENT FOR THE TRIUMPH OF THE LIBERAL CAUSE." HE NOTED MEXICO'S HERITAGE OF CENTRALISM AND THE CONSTITUTION'S AMBIGUITY IN TREATING CENTRALISM VS. FEDERALISM. NOTWITHSTANDING MEXICO'S CENTRALIST HERITAGE, HE SAID THAT FEDERALISM WILL ALLOW MEXICO TO GUARANTEE ITS NATIONAL UNITY, TO AVOID DISINTEGRATION AND ANARCHY, BUT TO MAINTAIN VARIETY IN THE NATION.

4. REYES HEROLES DEFINED ONE OF THE OBJECTIVES OF THE ADMINISTRATIVE REFORM AS THE STRENGTHENING OF FEDERALISM, I.E., THE STRENGTHENING OF THE GOVERNING POWER OF THE STATES AND MUNICIPALITIES. HE SAID ONE OF LOPEZ PORTILLO'S GOALS IS TO DIFFUSE POLITICAL, ECONOMIC, AND SOCIAL POWER THROUGHOUT MEXICO AND TO IMPLEMENT QUALITATIVE AND QUANTITATIVE CHANGES IN THE SOCIETY. REYES HEROLES CONDEMNED AUTHORITARIANISM IN THE NAME OF EFFICIENCY AND SAID MEXICO WAS FAR FROM BEING A TECHNO-BUREAUCRATIC DICTATORSHIP, BUT CAUTIONED THAT INEFFICIENCY WOULD NOT BE ACCEPTED IN THE CONFIDENTIAL

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NAME OF DEMOCRACY. HE ACKNOWLEDGED THAT THERE WERE INDUSTRIAL, COMMERCIAL, AND FINANCIAL OBSTACLES TO A DECENTRALIZATION OF POWERS.

5. IN DISCUSSING POLITICAL REFORM REYES HEROLES ADMITTED THAT THERE WERE RISKS, BUT SAID "IT IS PREFERABLE TO RUN RISKS WHILE MOVING AHEAD THAN TO STAND STILL". HE RESTATED JLP'S COMMITMENT TO HAVE A MAJORITY RULED GOVERNMENT THAT ALLOWS MINORITIES A VOICE PROPORTIONATE TO THEIR NUMBERS. ACKNOWLEDGING ITS OPPONENTS, HE SAID THE POLITICAL REFORM IS NOT AGAINST ANYONE OR ANYTHING BUT IN FAVOR OF MEXICO. ADDRESSING HIMSELF TO SEVERAL AUDIENCES HE SAID:

- THE PRI WILL NOT RENOUNCE ITS MAJORITY STATUS;
- MANY PROBLEMS RAISED BY THE REVOLUTION ARE STILL UNRESOLVED;
- THE PRI EXISTS TO SERVE THE STATE AND NOT THE REVERSE;
- AND
- THE POLITICAL PARTIES MUST FUNCTION DEMOCRATICALLY TO PROVIDE THE BASIS FOR NATIONAL DEMOCRACY.

6. REYES HEROLES ENDED HIS ADDRESS WITH WORDS OF CAUTION.

HE DEFINED MEXICO'S REVOLUTION AS "REVOLUTIONARY EVOLUTION"
AND WARNED THAT "VIOLENT MEXICO IS NOT IN THE GRAVE BUT
ONLY ASLEEP". HE CALLED UPON MEXICANS TO RETURN TO
NEGOTIATION, UNDERSTANDING AND COMPROMISE IN ORDER THA AN
IDEOLOGICALLY PLURAL MEXICO CAN PROGRESS.

7. COMMENT: REYES HEROLE'S QUEST FOR A FUNCTIONALLY

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C O N F I D E N T I A L SECTION 02 OF 02 MEXICO 03215

FEDERAL MEXICO SHOULD BE READ AS A POLITICAL PHILOSOPHER'S
DREAM RATHER THAN A POLITICIAN'S GOAL. INDEPENDENT MEXICO
HAS ACCEPTED IN PRACTICE, IF NOT THEORY, THE HERITAGE OF
CENTRAL AUTHORITY INHERITED FROM OVER 500 YEARS OF SPANISH
AND AZTEC RULE. IN INDEPENDENT MEXICO THE CREATION OF
STATES BY THE CENTRAL GOVERNMENT, RATHER THAN THE REVERSE
AS IN THE US, HAS PERPETUATED THE TENDENCY OF STATE OF-
FICIALS TO LOOK TO MEXICO CITY FOR THE ANSWERS TO STATE
PROBLEMS. WHILE PRESIDENT LOPEZ PORTILLO AND REYES HEROLE'S
MAY DESIRE A FEDERAL SYSTEM TO BETTER ADDRESS THE DIVERSE
PROBLEMS OF MEXICO, THEY CAN ONLY HOPE TO SOW THE SEEDS FOR
ITS CREATION BY THE NEXT GENERATION; AND THE HARVEST WOULD
COME ONLY IF IT WERE NOURISHED CONSISTENTLY. WITH FEW
EXCEPTIONS, THE GOVERNORS AT THE QUERETARO CONFERENCE DIS-
PLAYED LITTLE VISION OR PLANNING IN OUTLINING THE PROBLEMS
OF THEIR STATES BEFORE THE PRESIDENT AND HIS CABINET.
REYES HEROLE'S SPEECH REFLECTED THE AMBIGUITY OF THE
MEXICAN POLITICAL SYSTEM. WHILE THE THEME OF THE CONFE-
RENCE WAS FEDERALISM, REYES HEROLE'S REMINDED THE AUDIENCE
THAT THE STATE (CENTRAL GOVERNMENT) WOULD CONTINUE TO LEAD
SOCIETY, AND THAT POLITICAL AND ADMINISTRATIVE REFORM WILL
NOT WEAKEN THE POWER OF THE PRESIDENT.

8. IN HIS ADDRESS, SECRETARY OF FINANCE DAVID IBARRA
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MUNOZ SAID THE GOM WAS DESIGNING MECHANISMS THAT WOULD ALLOW STATES AND MUNICIPALITIES ACCESS TO THE NATIONAL MONEY MARKET TO FINANCE PUBLIC WORKS PROJECTS AT PREFERENTIAL RATES. HE ADDED THAT TAXES SHOULD BE USED TO MORE EQUALLY DISTRIBUTE WEALTH WITHOUT DISCOURAGING WORK, SAVINGS, OR INVESTMENT. IBARRA ALSO MENTIONED THE POSSIBILITY OF ESTABLISHING REVOLVING LINES OF CREDIT FOR STATES AND MUNICIPALITIES. ACCORDING TO IBARRA, THE PURPOSE OF THESE PROPOSALS IS TO GIVE MUNICIPALITIES GREATER POLITICAL AND ECONOMIC AUTONOMY TO SUPPORT THEIR ROLE IN PRESERVING MEXICO'S DEMOCRATIC INSTITUTIONS.

9. SECRETARY OF PROGRAMS AND BUDGET RICARDO GARCIA SAINZ ADMONISHED THE GOVERNORS "TO DO MORE WITH LESS" AND ANNOUNCED A PLANNED REDUCTION IN FEDERAL SUBSIDIES TO THE STATES AND THE ELIMINATION OF THE FEDERAL GASOLINE SUBSIDY. THE ANNOUNCEMENT CAUGHT THE GOVERNORS BY SURPRISE AND THEY REQUESTED A POSTPONEMENT OF ITS IMPLEMENTATION. GARCIA SAINZ SAID THE REDUCTION OF SUBSIDIES WAS PART OF THE PLAN TO RATIONALIZE DEVELOPMENT IN MEXICO AND REDUCE INEQUALITIES BETWEEN STATES AND WITHIN STATES. HE TOO MENTIONED THE IMPORTANCE OF STRENGTHENING MUNICIPALITIES AS THE BASE OF MEXICAN POLITICAL PHILOSOPHY. THOMPSON

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